



Calhoun: The NPS Institutional Archive
DSpace Repository

Theses and Dissertations

1. Thesis and Dissertation Collection, all items

1956-01-09

The Comptroller: is he a good candidate for top management?

Stetson, W. W.

George Washington University ; School of Government, Washington, District of Columbia.

<http://hdl.handle.net/10945/31009>

Downloaded from NPS Archive: Calhoun



<http://www.nps.edu/library>

Calhoun is the Naval Postgraduate School's public access digital repository for research materials and institutional publications created by the NPS community. Calhoun is named for Professor of Mathematics Guy K. Calhoun, NPS's first appointed -- and published -- scholarly author.

Dudley Knox Library / Naval Postgraduate School
411 Dyer Road / 1 University Circle
Monterey, California USA 93943

THE COMPTROLLER;
IS HE A GOOD CANDIDATE FOR
TOP MANAGEMENT?

Prepared by
LCDR W. W. STETSON, USN

for
Dr. A. R. JOHNSON,
Coordinator,
Navy Graduate Comptrollership Program,
George Washington University

9 January 1954

PREFACE

At the very beginning of the course in Comptroller-ship, Dr. Johnson informed the class that he expected they would be confused for some time to come, and that this state of confusion would gradually be replaced with understanding of the functions of the Comptroller. He has been proven a good prophet in at least one instance.

As the confusion has given way to the beginnings of understanding, the thoughts behind this paper started to take shape. After listening to a number of guest speakers, all of whom praised the comptroller position highly, and reading the assigned books on the subject, the first conclusion reached was that the Comptroller is the outstanding candidate of the future for top management positions. A little reflection, however, raised several questions, notably, why does he not fit into the smaller business as well as larger concerns, and why he did not make his appearance on the scene much earlier than was actually the case. My own personal conclusions resulted from setting down the pertinent facts in a brief way, and drawing the answer from them. To me, at least, the evidence is conclusive.

Most of the material for this paper was garnered from the talks of the various speakers. I am also indebted to a number of authors, notably Bradshaw (Developing Men for Comptrollership); Doris (Corporate Treasurer's and Controll-

er's Handbook); Hawley (Executive Suite); Kienzie and Dare (Climbing the Executive Ladder); Copeland (The Executive at Work); and a variety of periodicals, military publications, and texts.

TABLE OF CONTENTS

Chapter	Page
Preface	ii
1. THE GROWTH OF THE COMPTROLLER CONCEPT	1
"My boy can grow up to be President"	
"A big frog makes a big splash"	
Expansion-- the process of growing bigger	
Aesop's Fables	
"Necessity is the mother of invention"	
2. THE COMPTROLLER AND HIS FUNCTIONS	7
What is a Comptroller	
The Comptroller's functions	
The accounting function	
The advising function	
The forecasting function	
The managing function	
3. TRAINING OF A COMPTROLLER	13
Company training	
Personal relations	
Summary	
4. THE QUALIFICATIONS OF THE TOP EXECUTIVE	17
Leadership	
Business knowledge	
Decisiveness	
Recognizing ability and faults	
5. THE COMPTROLLER MEETS THE QUALIFICATIONS . . .	20
Summary	

CHAPTER 1

The Growth of the Comptroller Concept

"My boy can grow up to be President."

The business world, in the past, has offered a wide variety of fields for the growth and development of a career.

The choice of which field of endeavor to enter has been, to a great degree, left up to the discretion of the person entering upon the working portion of his life. Such a decision is usually dependent on a large number of factors-- job openings, educational background, personal preference, family tradition, and the like. However, almost any normally ambitious person, either when first taking a job, or at some later time, has one primary factor in mind, which is the prospect for advancement. In periods of labor and executive shortages, such as the present time, this inducement of promotion is always prominently mentioned by any company or corporation when recruiting talent, and in fact, any outfit which has a poor record of advancement faces a serious shortage of ambitious people.

It is one of the cherished maxims of the American way of life that "my boy can grow up to be President". This philosophy, along with the constitutional guarantee that "all men are created equal", has naturally resulted in fostering a spirit of independence and ambition throughout the country, in direct spirit contrast to the systems of feudal days or primogeniturism. The business world is full of examples of

The Growth of the American Government

"The day has come when we are free."

The country, in the past, has followed a path of growth for the growth and development of a nation. The course of which has been to enter into a great course, left us in the direction of the great order-ly from the earliest period of its life. From a certain usually dependent on a large number of factors--for example, educational, political, personal, financial, family, religious, and the like. However, almost any number of additional factors, either when first stated a few, or at some later time, had one primary factor in mind, which is the growth for forward-ness. In various of these and successive stages, such as the present time, this movement of growth is always moving-ly, and in fact, any action which has a great number of advancement takes a long number of additional moves. It is one of the greatest things of the American way of life that "we can grow up to be free." This will-ness, along with the constitutional guarantee that "all men are created equal", has helped to build in America a spirit of independence and addition throughout the country. In direct contrast to the system of feudal days or feudalism. The American spirit is full of freedom and

men who have started with nothing, and worked their way up to the presidency of companies and large corporations, while the number of top executives who have inherited their positions and business is constantly decreasing, percentage-wise, if not in actual numbers.

"A big frog makes a big splash"

The higher a man rises in his career, whether it be politics, the military, business, or what have you, the more attention he attracts. This state of affairs is only natural, for not only does he attract the attention of his superiors, but his subordinates grow in number, and usually his power over them increases proportionately. The man at the top is the target of many eyes-- proud eyes of his family; envious eyes of his erstwhile equals; rabid eyes of anarchists; fearful eyes of the inefficient; faithful eyes of his loyal followers; and most important, the studious eyes of those just starting their careers, who are intent on following in his footsteps.

These tadpoles of the business world study every available facet of the boss bullfrog of their pond. They observe his idiosyncracies, try to anticipate his thoughts and wishes, emulate his actions, and in every way attempt to follow the example of their leader. But they do much more than merely follow the present. The past life and career of the top executive are brought under the closest scrutiny by the neophytes of his regime. They ask such questions as "How did he start?"--"When did he first make his mark?" and the like. The

and who have started this morning, and whose family say in the
the possibility of compromise and large concessions, with the
number of the executives who have insisted that positions
and business in completely dominating, propaganda-wise, it
and in actual numbers.

'A big thing comes a big victory'

The night a man takes in his career, whether it be
politics, the military, business, or what have you, the same
attention is attracted. This state of affairs is only natural,
for not only does he attract the attention of his associates,
but his subordinates grow in number, and usually his power
over them increases proportionately. The man at the top is
the target of many eyes--from eyes of his family; various
eyes of his executive staff; eyes of his subordinates; eyes
of the public; eyes of his loyal followers;
eyes; and most important, the critical eyes of those who stand
their careers, who are intent on following in the footsteps.
These targets of the public's scrutiny every available
facet of his life subject to their gaze. They observe his
idiosyncrasies, try to anticipate his thoughts and wishes,
evaluate his actions, and in every way attempt to follow the
example of their leader. But long he may hold their scrutiny
follow the present. The very life and career of the leader
reflects the bright mirror the closest scrutiny by the sub-
ordinates of his position. They are now questioning as "how did he
start?"--"when did he first make his mark?" and the like. The

answer to these and similar questions help determine the course of the young man's career. Every company has a subtle hierarchy of succession to command. Was the president an engineer? Then the engineering department is the place to start. A designer?

Man the drawing boards! A salesman? Hit the road, men! Each of the traditional major departments of industry-- design, sales, engineering, production, even public relations and advertising, has its fair share of men who rose through those channels of endeavor to reach the top post-- the Big Frog in their particular pond. And with these examples before them, younger men who aspire to the top will try for the same footholds in their climb from the pond water of the beginning tadpole, through the puddles of the intermediate junior levels, to the dry spots on the bank reserved for big frogs-- top executives.

Expansion-- the process of growing bigger.

All of us are familiar with the results obtained when a balloon is blown up. The balloon expands, and takes up much more space than formerly. A perusal of history reveals that this country has been undergoing the same process throughout the entire era of its existence. The territorial expansion continued until the oceanic boundaries were reached. Since then, the process has been internal in scope, with increasing population, increasing world importance, and, of special interest to this paper, a constantly expanding business economy.

Business has grown, and keeping the simile of the

... of the young man's career. Every country has a social hierarchy
of association is common. Was the movement so significant that I
the engineer's department at the time to start. I remember
was the English doctor! A statement? His last words, now! But
of the traditional major departments of industry--agriculture, mining,
engineering, transportation, even public utilities and electricity--
ing, has its own sense of duty and even through those channels
of endeavor to reach the top--the old way is still
traditional form. The old form remains in the form, however
and now applies to the top with the same force. It is
their class that must wait of the English doctor,
through the families of the aristocratic families, to the
my time on the bank yesterday for his time--by accident.

... the process of growing older.

All of us are familiar with the growth of children and
a nation is born. The nation grows, and there is no
more a new form. A period of steady growth has
this country has been developing the same, however, throughout
the entire era of its existence. The traditional education
continued until the growth of the nation was complete. Then
that, the process has been delayed in time, but it is still
complexities, increasing with complexity, and of social life--
and in this sense, a remarkably successful business society.
Continued law, and beyond the limits of the

balloon, it has expanded in all directions-- not only in the total number of business enterprises, but in the size and complexity of the average. The earlier types of business were predominately of the one-man variety. The owner would be familiar with all the problems of his particular concern, and would make all the major decisions as well as run the business personally. He did not need or desire much in the way of technical advice or assistance from his employees, and was able to keep all the strings of control firmly in his own hands.

This system was satisfactory for the simple economy of the early days, but changes steadily occurred. As the country grew, the nature of business grew to keep pace. The smaller business was absorbed by its larger and more prosperous competitor, and the corporation came into ~~being~~ being. Corporations merged, and cartels were formed and grew into holding companies. And, while the government through such regulatory measures as the Sherman Anti-Trust Act has played an increasingly important part in the conduct of business, the trend has in general been toward larger companies. The small business, while still of importance to the national economy, has been steadily pushed further into the background.

Aesop's Fables

One of the fables of Aesop which most people read in childhood concerns the story of the reed which bent before the gentle breeze, while the great tree hardly swayed. The following gale blew down the tree, however, and when the wind

follow, if the government in all directions--not only in the
 total aspect of business enterprise, but in the size and com-
 position of the industry. The various types of business were
 characterized of the same sort. The owner, usually an in-
 dividual with the character of the business owner, and
 would mean all the major social as well as the business
 personality. He did not want to devote more to the way of think-
 ing and action of business than his employees, and was able
 to keep all the things of control tightly in his own hands.
 This system was satisfactory for the single economy of the
 early days, but changes steadily occurred. In the country
 first, the nature of business grew to be more and more
 business was absorbed in the larger and more numerous
 corporation, and the corporation grew into what might be called
 organic nature, and outside were formed and grew into holding
 companies. And while the government through such regulatory
 agencies as the Federal Reserve Act and others in business
 policy, foremost was in the conduct of business, the trend
 has in general been toward larger companies. The small business,
 while still of importance to the national economy, has been
 steadily merged further into the background.

Social Changes

One of the leaders of labor said people need in
 addition to the right of the vote which they have
 the people power, which the great mass finally won. The
 following day down the road, however, and now the time

subsided, the reed once more stood upright beside the fallen giant. An apt comparison may be drawn between small and large businesses. The small business represents the reed, which has one main stem and no significant branches. As the size of the business increases, the stem grows to trunk size, and branches sprout. A tree has come into being. As the tree grows, the trunk of necessity becomes stronger (the head of the firm), and the branches (the different departments) spread further.

Now the tree offers far greater resistance to the wind, which may be said to represent business problems. As the force of the gale increases, the stress is carried from the branches through the trunk down to the roots (the practices and policies of the business). At some point the strain becomes too great, the roots are torn loose, and the tree falls-- the business has failed. The roots of the reed are strong enough to support the small forces, and it survives most blows. The tree has fallen because its own great size was too much for its foundation.

Necessity is the Mother of Invention

It would seem from the foregoing that the business world would recognize the maximum size to which an enterprise can safely grow. Such has in fact been the case. But, there has also been a demand for the large concern, just as there is a demand for the larger boards to be obtained from bigger trees. Manifestly, some outside influence must be brought into the picture if we are to have the forest giants, and at the

same time security against their falling. In the case of the tree the obvious answer is to develop a strain with stronger roots.

In the same way, business was forced to build stronger foundations under the super-sized enterprises. The main building block of this stronger foundation is found in the person of the Comptroller whose function it is to strengthen the entire structure of the business by supplying a firm basis of facts and figures and advice upon which good decisions can be made.

some time ago, against their will. From one of the two
the other was taken to the depot & killed with a single shot.
In the next day, however, the body was found in the same place.
It was found in the same place, the body being
that of this younger generation is found in the same place.
the younger generation it is to be understood the same
of the younger generation by studying a few facts of their
and their and their own with good results can be seen.

CHAPTER 2

The Comptroller and His Functions

What is a Comptroller?

The comptroller is a relatively new creation, brought into being to fill a void left by the expansion of industry. As such, the position has not as yet, in the twenty years or so of its existence, achieved any great degree of stability or unanimity, but depends in great measure upon the ability of the incumbent in the job, the degree of acceptance of the idea in the company, and the attitude of top management. This condition appears to hold true throughout the entire industry of the country, if the examples of the various speakers who have appeared before this class may be taken as a true sample.

And these companies represented do seem to be typical, in that the comptroller of the New York Telephone Company (a subsidiary of the Bell system) is a vice-president and an important member of the top management, while other companies represented show the importance of the function ranging down to "senior book-keeper" levels. The overall average, however, would seem to place the comptroller in a position directly below the vice-presidential level, usually reporting to a vice-president for finance, and with a good deal of responsibility in an important staff position. In such companies the duties of the comptroller seem to be fairly well established, and in many cases approach what the Controllers Institute

believes should be the functions of the position. These functions are quoted as follows: (1)

1. To establish, coordinate, and maintain, through authorized management, an integrated plan for the control of operations. Such a plan would provide, to the extent required in the business, cost standards, expense budgets, sales forecasts, profit planning, and programs for capital investment and financing, together with the necessary procedures to effectuate the plan.

2. To measure performance against approved operating plans and standards, and to report and interpret the results of operations to all levels of management. This function includes the design, installation, and maintenance of accounting and costs systems and records, the determination of accounting policy, and the compilation of statistical records as required.

3. To measure and report on the validity of the objectives of the company, and of the effectiveness of the policies, organization structure and procedures in attaining the objectives. This includes consulting with all segments of management responsible for action or policy concerning any phase of the operation of the business as it relates to the performance of this function.

4. To report to government agencies, as required, and to supervise all matters relating to taxes.

5. To interpret and report on the effect of external influences on the attainment of the objectives of the business. This function includes the continuous appraisal of economic and social forces, and of governmental influences as they affect the operations of the business.

6. To provide protection for the assets of the business. This function includes establishing and maintaining adequate internal control and auditing, and assuring proper insurance coverage.

The Comptroller's Functions

We have seen from the previous section what, in the opinion of the Controllers Institute, the functions of the comptroller should be. These functions as set forth cover a lot of territory and are quite inclusive, in both a general and a specific nature. However, if we disregard the tax fund

(1) The Controller, September, 1952, page 420

tion, and include internal control and auditing with accounting, we may simplify the concept into four major basic categories of duties. These four functions, not necessarily in the order of their importance, are as follows:

1. Accounting
2. Advising
3. Forecasting
4. Managing

Let us review and expand each one of these functions separately, to see if they call for any specialized training, knowledge, or mental characteristics which would not usually be found in those occupying other positions.

The Accounting Function

The one function which seems to be common to the comptrollers of all companies is that of accounting. But, when the comptroller is in his work something more than the "senior accountant", this function goes far beyond the mere compilation of facts and figures. A comptroller must not only understand the figures which he gathers (or are gathered for him), he must be able to interpret these figures in the light of comparison to what was planned in the company's operations.

He must find the places of deviation, and in many cases he must attempt to deduce the reasons for the deviation. He must compare results with budgets, and insure that the resources of his company are not squandered by unauthorized expenditures.

In short, the accounting function involves gathering the accounting data, interpreting the compiled data, and measuring the results against some predetermined objective. This in turn leads into another function,

- goldman . 1
goldman . 2
goldman . 3
goldman . 4

The Advising Function.

Once the comptroller has completed his work on the accounts, his overall task has just commenced. The most beautiful painting in the world will never be recognized as such if it is hidden from view. In like manner, the comptroller who has gathered and compiled factual data, interpreted it with a high degree of accuracy, and made rigid comparison of results with planned objectives, has achieved little or nothing for his company if his information is not promptly and positively presented to responsible top management. The comptroller, theoretically, has all the facts at his finger tips, and these facts should be made use of. For instance, the top sales executive must know how his department's expenses compare with budget, and if possible, where cuts can be made in expenses.

The comptroller should be able to advise (NOT direct) the sales people in arriving at such decisions, based on his data and the interpretation he has made of them. Similar situations exist for all the other departments, and the comptroller should be able to highlight both the strong and weak performances, and advise intelligently in his recommendations for strengthening or preventing weaknesses. This duty, and the budgeting process, tie in closely with yet another of the comptroller's functions,

The Forecasting Function.

This is one of the most important of the duties which fall within the province of the comptroller. Accounting gives a history of past performance, and advising includes comparison

The Existing Situation

When the controller was contacted in early 1961,

according to the controller's own statement, the work

concerned with the work of the controller was

such as it is in the case of the controller, the controller

who has received and received further data, interested in

with a high degree of accuracy, and with a high degree of

accuracy with a high degree of accuracy, and with a high degree of

the controller's own statement, the controller is not even in and

presented in the controller's own statement, the controller

theoretically, but all the facts of the controller's own

facts which are not even in the controller's own

statement, the controller's own statement, the controller

statement, the controller's own statement, the controller

The controller should be able to advise (the controller)

which should be able to advise (the controller), based on the

and the controller's own statement, the controller's own

which the controller's own statement, the controller's own

which the controller's own statement, the controller's own

which the controller's own statement, the controller's own

statement, the controller's own statement, the controller's own

statement, the controller's own statement, the controller's own

statement, the controller's own statement, the controller's own

The Existing Situation

This is one of the most important of the controller's

will state the position of the controller, according to

a variety of past experience, and which is the controller's

with the plan. But how was this plan arrived at? In any plan for future events, it is necessary to forecast, mostly through the light of past experience. The comptroller, if he is to forecast intelligently, must develop a number of facets of his business knowledge. He must know the capabilities of his company's production, or he cannot act as a check on the natural enthusiasm of that department, and the whole schedule of operations may be thrown out of kilter. He must be an acute judge of business cycles, and be able to apply these trends to his own business. In the preparation of the budget of his company, he must be able to integrate all phases of the business, and insure that available funds are allocated in a just and equitable manner. Little good results if funds are supplied to manufacture six million units, but sales only has enough funds to hire salesmen to sell three million units. A good comptroller should be able to forecast rising markets, and advise his superiors in time for them to make the decisions which allow the company to reap the benefits of the rise. All in all, in addition to his speciality in accounting, and his ability to advise intelligently, the comptroller must combine with these some of the qualities of the Indian swami in reading and forecasting the fall of future events.

The Managing Function

The previous sections have dealt with the more or less special qualifications needed by a comptroller, in the same light that an engineer needs engineering training. The comptroller usually shares one other function in company with

line executive of his level. As a general rule, the comptroller is the head of the accounting department, and as such he has line command authority as far as his own department is concerned.

This managerial function can not be overlooked, since it is usually the only opportunity the comptroller has to gain experience in what might be called "command". No man can expect to be competent at directing the activities of a large number of people, unless he has in the past built up his experience at lower levels. Good staff men do not make good commanders, especially at the top, without command in more junior positions.

There is a world of difference between advising a superior or a subordinate, without being interested other than academically in the results of the advice, and actually making the decisions upon which the fortunes of the enterprise may depend.

If a comptroller hopes to succeed to top management positions, where he is in a policy-making job, and in the line chain of command authority, he must descend from the ivory tower of the staff attitude and take a place in the line of direct management.

like a man of his type. As a general rule, the conversation
is not without some occasional interest, and he may be said
to be somewhat intelligent. He is not, however, in conversation
This intellectual position was not so well maintained, since it is
usually the only characteristic of the conversation that he gains
from it. He is not a "bookworm", he has not much to
be considered as illustrating the scientific of a large number of
things, which he has in his head which he is not prepared to
show. He is not a man of great conversation, and
only at the top, without coming to any other position.
There is a kind of difference between a man who
is a specialist, without being a specialist, and a man who
is a specialist in the results of the advice, and actually making the
decision about the results of the advice and the results of the
It is a position which is not a position for a specialist, but
where he is in a position to do, and is the same as
to be a specialist, he must be a man who is not a man of the
still better and more a man in the line of actual management.

CHAPTER 3

Training of a Comptroller

The previous chapter discussed the functions of a comptroller. What must go into meeting the necessary qualifications if a man is to be able to carry out the duties assigned to that position? What training is needed for comptrollership?

Since the comptroller is usually the head of the accounting department, it is reasonable to expect that he would need background and experience in that field. A large number of comptrollers have risen to their positions through the ranks of accountants, and at first glance this would seem to be the path of advancement. Such has not proven to be the case in many of the examples presented to this class, however. In fact, it would seem that a career as an accountant tends to disqualify a man, since as a general rule, the accountant has too much of a tendency to become mesmerized by his own figures, and lose his sense of proportion of the overall problems of the company, which is a very necessary trait for a comptroller. A senior accountant may be given the title of "Comptroller", but all too often the change seems to be one of title only, and involves little or no change in actual functions. Thus while a good knowledge of accounting procedures is imperative, a heavy background of accounting experience would seem to be not only unnecessary but even undesirable.

Company Training

In order to do a good job, the comptroller must of

Training of a Controller

The various phases involved in the training of a

controller. First must be laid the necessary foundation-
 stone is a man is to be able to carry out the duties assigned
 to him. It is not enough that he should be a man of good
 character and high intelligence. He must also be a man of

high character, it is not enough that he should be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

high character and high intelligence. He must also be a man of

In order to be a good controller, the controller must be

necessity know the aims and problems of his company. How can the comptroller advise the production manager, or any other responsible executive, if he himself is ignorant of the problems which necessitate the advice? The business world is full of examples of men who have reached their high point, far below the top, merely because they would not, or could not, develop their knowledge of their own company beyond their immediate job horizon. A good case in point may be found in a steel company whose comptroller spoke to this class. In this company, the Assistant Comptroller is in charge of general accounting and internal auditing functions. He has held that position since 1936, during which time he has seen other men promoted over his head to the top departmental billet. The present comptroller started in a minor job in the statistical section in 1943, and in 1949 was promoted when the comptroller position became vacant.

Why was the assistant passed over in 1949? He was and is recognised as an excellent man in his field, but he had never bothered to learn the other jobs in the comptroller's office, much less the rest of the company. He had plateaued himself at the assistant level. On the other hand, the present incumbent of the job had a concept of the position similar to that held by Mr. McMillan, Vice-President and Comptroller, the New York Telephone Company. In his address to this class, Mr. McMillan expressed himself on the subject as follows:

"My concept of the comptroller job is that it is both a professional type and managerial in nature. The comptroller is a member of the top management team, more than merely a consultant and adviser. He must have objectivity, more so

responsibility from the state and transfer of this responsibility. The state
the committee having the responsibility, we say that
responsible executive, if he himself is ignorant of the problem
which necessitates the solution the committee would be left to
struggle at one who have received their high office, the duty
the job, would require they would not, or could not, discharge
their knowledge of their own company beyond their immediate
the solution. A good rule in such a case is to have
company whose conduct and character is the basis of this company,
the solution of the problem is in the hands of general management
and internal existing conditions. He has held that position since
1935, during which time he has been often and promoted over
his name to the top management office. The present committee
started in a short job in the statistical section in 1937, and
in 1941 was promoted from the statistical position to the present
job and the statistical section was in 1941 to the present and is
recognized as an excellent one in the field, and he has never
hesitated to learn the other side in the committee's office,
much less the rest of the company. He has discussed himself as
the assistant level. On the other hand, the present management
of the job had a company of the position similar to that held
by Mr. Robinson, Vice-President and Controller, the New York
Telephone Company. In his address to this office, Mr. Robinson
expressed himself on the subject as follows:

"My concern of the controller is in that it is both
a professional job and management in nature. The controller
is a member of the top management team, with this understanding
a controller and adviser. He must have responsibility, and he

than other department heads who have ideas slanted to their own work. Tax knowledge, statistical and economic knowledge, and above all, knowledge of the operations of the company as a whole, are necessary attributes of the comptroller."

Mr. McMillan's concept of the comptroller brings in yet another trait which demands special knowledge and training.

Economic knowledge, from which is derived the ability to foresee trends in business activity, is necessary if the comptroller is to advise the members of top management. Again, this does not mean that the comptroller should be a practicing economist prior to his job as comptroller. In this field, too, overspecialization would be harmful. The economist is on the other side of the fence from the accountant, in that he normally lives in a dream world of fanciful ideas, based on figures which he interprets to suit himself. In any given situation of recent years, there has been violent disagreement between recognized experts in this field-- and it is doubtful whether any one has a better average of correct guesses than the next.

Personal Relations

In line with the management function of the comptroller, he must develop the ability to deal with people. Being in a staff position, this attribute is all the more important. The line executive, when he sees the need of change, merely issues an order. The comptroller, however, does not have this power of command. His only recourse, other than going over the head of the offending executive to higher authority, is to convince the executive in question of the desirability of the change.

In other words, if he is to be effective, he must be able

from that department would not have been known to them, and
that, the knowledge, statistical and economic knowledge, and
knowing all, knowledge of the condition of the country is
the necessary condition of the knowledge.

Dr. Hamilton's account of the knowledge of the country is not

another story which should be placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

knowledge of the country, but which is placed in the hands of the

to sell both himself and his ideas to other members of the executive team. He must endeavor to persuade others to accept his ideas, without using pressure. This can only be achieved by building up others' confidence in his integrity and ability.

When the comptroller has achieved this, he is becoming of maximum use to his company. Quoting from the address to the class by Mr. Wheeler, the Comptroller of the Allegheny-Ludlum Steel Corporation,

"We are looking for men who can present their ideas in a forceful, concise, and clear manner, and who have the ability to sell themselves and their ideas without causing friction."

Summary

The training of a comptroller is many-sided. It includes accounting, economics, company training, and human relations. It is perhaps more thorough and all-embracing than the training needed for any other comparable position in industry, in that it combines the specialized training needed for the technical end of his own job, with a broad basic knowledge of all other facets of his particular business. The comptroller must be a "jack-of-all-trades", and a master of his own besides.

to wait until himself and his house to other members of the
scientific team. He had accepted to become a member of the
team, without asking permission. This was only to achieve
by building on others' confidence in his integrity and ability.

Then the researcher had confidence in him, he is confident of
himself and in his country. Doubtless from the start to the
class of Mr. Teacher, the confidence of the students - and the

Great Confidence.

The first lesson for him was to learn to be a teacher
in a laboratory, to be a teacher, and to be a teacher
in a laboratory to be a teacher and to be a teacher
in a laboratory.

Summary

The teacher of a laboratory is responsible. He is
responsible, responsible, responsible, and responsible. He
is responsible for his own work, for his own work, for his own work
needed for his own work, for his own work, for his own work
is needed for his own work, for his own work, for his own work
and of his own work, for his own work, for his own work
needed for his own work, for his own work, for his own work
needed for his own work, for his own work, for his own work.

CHAPTER 4

The Qualifications of the Top Executive

The previous chapters have dealt with the functions, qualifications, and training of the comptroller. The basic concern of this paper, however, is the determination of the comptroller's ability to rise to the positions of top management. To make this determination, it is first necessary to define the qualifications of the top executive.

Fortunately, and unlike the comptroller's functions, the business world has come to a fairly concrete and universal acceptance of the qualities necessary for top executives. The Dean of the Harvard Business School, Mr. Donald K. David, in an address delivered before the Harvard Business School Club of New York, in 1948, defined the qualities of an ideal executive as follows:

- "1. The ability to get other people to work effectively.
2. The ability to make decisions in the light of facts available and under pressure of time.
3. The instinctive acceptance of authority.
4. An understanding of the economic, social, and political forces which shape the environment within which he operates."

Other authors, from Julius Ceasar down through the ages, have given their definitions of the top executive, and for both military and civilian pursuits, there is a remarkable similarity contained within the many definitions. Briefly stated, the most desirable attributes of the top executive are:

1. Leadership
2. Business Knowledge
3. Decisiveness
4. Ability to Recognize Merits and Faults

•

Let us examine more closely each of these traits.

Leadership

The quality of leadership is rather nebulous. Some successful men lead by example, while others drive their subordinates. Some rule by fear, and others by inculcating a high degree of loyalty in their followers. In any case, leadership itself is the backbone of the process of command.

Napoleon gives a good definition of the character of leadership

" First of all, the work of the Commander in Chief calls for thought, preliminary to any decision. An idea is born, evolves, becomes well-defined, and by an act of will is transformed into a decision. But the role of the leader does not end here; he must also participate in the carrying of the decision into execution, by superintending, directing, and controlling his agents. This participation is indispensable to the union and consequence of their efforts, the rectification of errors, and the vigor of action...." (1)

Business Knowledge

No business can hope to stay in a healthy state unless it makes a profit. In order to do so, it must supply some product or service for which a market exists, or can be made to exist, and unless the cost of production is less than the selling price.

If these results are to be obtained, the top executives of the business must have enough business acumen to know when to expand or retract operations, when to drop some product or emphasize another, and the ability to foresee booms and depressions. The degree to which the executive develops such knowledge determines the success of his activities.

(1) Melvin T. Copeland, The Executive at Work, (Boston: Harvard University Press), 19.

Let us examine these things with a little care.

Conclusions

The quality of the work is of great importance. The

method of the work is of great importance, and the results of the

work are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

Conclusions

The results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

are of great importance. The results of the work are of great

importance. The results of the work are of great importance. The

results of the work are of great importance. The results of the work

Decisiveness

One of the most important qualities of the top executive is decisiveness. We are all familiar with the type of leader who cannot make up his mind, or who vacillates between decisions. The executive must be firm and decisive in his actions and decisions, if he is to have the full confidence of his juniors. He may keep his own counsel, or request opinions, but he must never leave the impression that the reason he does not issue an order is that he cannot or will not make up his mind. Nothing is more destructive to morale than indecision, for it leaves subordinates in the position of having to make their own decisions without benefit of sufficient knowledge or coordination.

Recognizing Ability and Faults

Going back once more to the philosophy of Bonaparte, this military genius and leader stated in part:

".... Finally, the duty of the chief is also to distribute to the executants the rewards or penalties which correspond to their merit or incapacity." (1)

The last phase of this sentence is of especial importance.

"Which correspond to their merit or incapacity" clearly implies recognition of those factors by the chief. The man in authority must have this ability. Lack of it results in wrong work assignments, illogical promotion, and loss of morale, and leads eventually to the possibility of complete chaos and a breakdown of the entire organization.

[1] Ibid.

CHAPTER 5

The Comptroller Meets the Qualifications

Previous chapters having discussed both the comptroller and the top executive, the time is now ripe to compare the two to see if the comptroller is adequately prepared to succeed to high position by virtue of his training and qualifications. In what fields is the comptroller well prepared, and in what lines of endeavor must he have further training to prepare him adequately for the responsibilities of the top?

Probably the field in which the comptroller is best qualified is in knowledge of business trends and overall company problems. These are necessary attributes for both the top executive and the comptroller. Furthermore, the comptroller is the only relatively junior executive who does need a high level of knowledge in this subject, and in this one phase, at least, he is probably the one junior executive who best meets this need.

Next we come to the capacity to recognize ability and faults. Here the comptroller should be qualified, not only through his work with his own subordinates, but through his highly developed sense of human relations so necessary to a staff man. His attributes here are on a level with his equals.

So far, the comptroller has compared very favorably with his rival co-executives. Two more important fields still remain, however, and it is here that the comptroller needs look to his laurels. The first of these fields is leadership, and the comptroller is skating on thin ice. His previous

The Development of the Philosophy

Previous to the Renaissance, the philosophy of the Middle Ages was dominated by the Scholasticism of the Schools. The Scholasticism of the Schools was a system of philosophy which was based on the authority of the Church and the authority of the philosophers of the Middle Ages. The Scholasticism of the Schools was a system of philosophy which was based on the authority of the Church and the authority of the philosophers of the Middle Ages. The Scholasticism of the Schools was a system of philosophy which was based on the authority of the Church and the authority of the philosophers of the Middle Ages.

During the Renaissance, the philosophy of the Renaissance was dominated by the Humanism of the Renaissance. The Humanism of the Renaissance was a system of philosophy which was based on the authority of the human mind and the authority of the human world. The Humanism of the Renaissance was a system of philosophy which was based on the authority of the human mind and the authority of the human world. The Humanism of the Renaissance was a system of philosophy which was based on the authority of the human mind and the authority of the human world.

In the 17th century, the philosophy of the 17th century was dominated by the Rationalism of the 17th century. The Rationalism of the 17th century was a system of philosophy which was based on the authority of the human mind and the authority of the human world. The Rationalism of the 17th century was a system of philosophy which was based on the authority of the human mind and the authority of the human world. The Rationalism of the 17th century was a system of philosophy which was based on the authority of the human mind and the authority of the human world.

experience, in the command relationship, has been limited to the employees of his own department, consistently staffed with accountants and bookkeepers, types in general which need far less supervision and leading than the normal run of worker. They respond best to being left alone, and the normal process of command is seldom used. The comptroller, therefor, must develop his qualities of leadership through observing others when possible, since he has little opportunity to practice it in person.

Finally, decisiveness is a necessity. The comptroller's position being of the staff, he has not been trained in the habit of making decisions. His province has been to supply the information on which decisions by others are based, never actually making the decisions himself. In cases where his recommendations are called for, it is customary for him to supply several alternative courses of action, and then wait for one to be chosen. He is in a fine position to observe the reasoning upon which his seniors base their successful operations, but he has not, throughout his career, been responsible for making decisions which affect even his own small segment of the business. This quality ties in closely with leadership, and is another weak point in the qualifications of the comptroller.

Summary

The conclusions which I have drawn from study of this subject are that the comptroller is extraordinarily well qualified for top positions in the fields of concrete business knowledge, but is sadly lacking in those intangibles which seem to be necessary attributes of all successful commanders. In other

...in the common relationship, the fact is that the
the existence of his own government, something which is
...and cooperation, there is a great deal of
...and feeling that the country is of value. They
...and the normal process of
...The country, therefore, must develop
...the quality of leadership through observing nature and
...since he has little opportunity to practice it in
...The controller's
...he has not much chance in the end
...of making decisions. The province has been the subject
...which are made, not actually
...it is clear that his responsibility
...and calling for, it is necessary for him to make several
...of action, and then wait for the result. He
...is in a position to observe the results of his
...and to see that they are not, but
...the results of his actions which affect
...and the results of his actions. This quality is
...and the results of his actions, and the results of his
...of his actions.

Summary

The controller's role is to make sure that the
...and the results of his actions are not
...and the results of his actions are not
...and the results of his actions are not
...and the results of his actions are not

words, the comptroller has, by virtue of his specialization in staff work, lost the vital experience of command. If he has spent a normal amount of time in reaching his position, the habits he will have formed in a lifetime of work will be too firmly ingrained for him to change readily. He has reached his plateau in the business world.

The military comptroller, on the other hand, has not reached this impasse¹, and will not as long as a special corps of comptrollers is not established. At a recent series of Senate hearings, one of the questions asked each of the Secretaries of the military establishment was "Is it necessary, in your opinion, that the top military commander have had experience as a comptroller?" Without exception, each Secretary replied in substance that it would be highly desirable that the top military commander have had such experience, but not necessary. Thus some training and experience in the field of comptrollership would seem to be beneficial, but the vastly more important command experience to be gained in line positions must not be ignored. The comptroller as a specialist is not prime material for top management positions, but some training and experience in the field is a great aid to the top executive.

Now, the committee has, in view of his position, a
well known, and the first experience of command. It is
most a young man of whom is known in the service, and
before he will have reached the position of which we are
talking, he will have reached the position of which we are
talking, he will have reached the position of which we are
talking, he will have reached the position of which we are

The military committee, on the other hand, has not
reached this position, and will not be long in a special way
of command is not established. At a recent meeting of
the committee, one of the questions asked of the committee
was of the military committee was "Is it necessary, in
your opinion, that the top military commander have the same
training as a competitor?" Without exception, each committee
replied in substance that it would be highly desirable that
the top military commander have had such training, but not
necessarily. This was training and experience in the field of
military training would seem to be desirable, but the really
more important command experience to be gained in the field
must not be ignored. The committee as a whole is
not quite satisfied for top management position, but does
believe and experience in the field is a great aid to the
top executive.